

FINANCE COMMITTEE

Meeting Agenda
Wednesday, March 26, 2025
1:30 p.m.

Please see page 2 for meeting location options

The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"		Time	Form A Page	Target
Call To Order				
I.	Establishment of Quorum	1		1:30
II.	Public Comments ¹	30		2:00
III.	Action Item(s) (ADD A)			
	a. Finance Committee Minutes, February 26, 2025 (Pp 6-10)	5		2:05
	b. Guidehouse Turnaround Project Update – Informational Only (Pp 11-14)	15		2:20
	c. YTD FY2025 and February 2025 Financials (Pp 15-26)	25		2:45
Final Adjournment				

Board Finance Committee Members

Voting Members	Non-Voting Members
Linda Greer, RN, Chair	Andrew Tokar, Chief Financial Officer
Michael Pacheco, Director	Omar Khawaja, MD, Chief Medical Officer
Jeff Griffith, EMT-P, Director	Mel Russell, RN, Chief Nurse Executive/Chief Operating Officer
Diane Hansen, President & CEO	Melissa Wallace, Vice President, Finance
Kanchan Koirala, MD, Chief of Staff Palomar Medical Center Escondido	
Mark Goldsworthy, MD, Chief of Staff Palomar Medical Center Poway	
Alternate Voting Members	
Laurie Edwards-Tate, MS – 1 st Board Alternate	
Andrew Nguyen, MD, Chief of Staff-Elect, Escondido	
Paul Ritchie, MD, Chief of Staff-Elect, Poway	

Note: If you need special assistance to participate in the meeting, please call 760.740.6375, 72 hours prior to the meeting so that we may provide reasonable accommodations.

¹ 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 3 of the agenda.

Board Finance Committee

Meeting Location Options

Linda Greer Board Room

2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- Elected Board Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Non-Board member attendees, and members of the public may also attend at this location

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

Meeting ID: 236 691 524 70

Pass Code: nK2qk2GB

or

Dial in using your phone at 929.352.2216; Access Code: 558 603 055#¹

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link

- 2198 Palomar Airport Road, Carlsbad, CA. 92008

- An elected member of the Board of Directors will be attending the meeting virtually from these locations

¹ New to Microsoft Teams? Get the app now and be ready when your first meeting starts: [Download Teams](#)

Policy : Public Comments and Attendance at Public Board Meetings

I. PURPOSE:

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

II. DEFINITIONS:

A. None defined.

III. TEXT / STANDARDS OF PRACTICE:

- A. There will be one time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additional public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a [Request for Public Comment form](#) and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.
- B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation.
- C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.
- D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.
- E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.
- F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
1. To receive appropriate notice of meetings;
 2. To attend with no pre-conditions to attendance;
 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
 4. To know the result of any ballots cast;
 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,
 7. To publicly criticize Palomar Health or the Board; and
 8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.
- I. This policy will be reviewed and updated as required or at least every three years.

Board Finance Committee Meeting

Meeting will begin at 1:30 p.m.



Request for Public Comments

If you would like to make a public comment, please submit a request by doing the following:

- **In Person: Submit Public Comment Form, or verbally submit a request, to the Board Assistant**
- **Virtual: Enter your name and “Public Comment” in the chat function once the meeting opens**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30 minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

ADDENDUM A

Board Finance Committee Meeting Minutes – Wednesday, February 26, 2025

AGENDA ITEM

CONCLUSION/ACTION

DISCUSSION

Notice Of Meeting

Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with agenda packet on the Palomar Health website on Friday, February 21, 2025. An updated agenda packet was posted on the Palomar Health website on Tuesday, February 25, 2025.

Call To Order

The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 1:30 p.m. by Chair Linda Greer.

I. Establishment of Quorum

- Quorum comprised of: Chair Linda Greer, Director Michael Pacheco, Diane Hansen, Kanchan Koirala, MD and Mark Goldsworthy, MD.
- Excused Absences: Director Jeff Griffith

II. Public Comments

- No public comments

III. Action Items

a. Finance Committee Minutes, May 1, 2024

MOTION by Pacheco, 2nd by Koirala to approve the Finance Committee Minutes from May 1, 2024, as written. Roll call voting was utilized.

Director Greer - aye
Director Griffith – absent
Director Pacheco – aye
Hansen – aye
Koirala, MD – aye
Goldsworthy, MD - aye

Five in favor. None opposed. One absent. None abstained.
Motion approved.

Discussion:

- No discussion

b. Finance Committee 2025 Meeting Calendar

MOTION by Hansen, 2nd by Pacheco to approve the Finance Committee 2025 Meeting Calendar. Roll call voting was utilized.

Director Greer - aye
Director Griffith – absent
Director Pacheco – aye
Hansen – aye
Koirala, MD – aye
Goldsworthy, MD - aye

Five in favor. None opposed. One absent. None abstained.
Motion approved.

<p>Discussion:</p> <ul style="list-style-type: none"> No discussion 	
<p>c. Finance Committee Charter</p>	<p>MOTION by Pacheco, 2nd by Hansen to approve the Finance Committee Charter as presented. Roll call voting was utilized.</p> <p>Director Greer - aye Director Griffith – absent Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD - aye</p> <p>Five in favor. None opposed. One absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> No discussion 	
<p>d. Guidehouse Turnaround Plan Update – Informational Only</p>	<p>Informational only</p>

Discussion:

- Mark Henning, Director, Healthcare, Guidehouse, shared a presentation with the committee. Committee discussion ensued.

e. YTD FY2025 and January 2025 Financials

MOTION by Hansen, 2nd by Pacheco to approve YTD FY2025 and January 2025 Financials and move to Board of Directors for ratification.
Roll call voting was utilized.

Director Greer - aye
Director Griffith – absent
Director Pacheco – aye
Hansen – aye
Koirala, MD – aye
Goldsworthy, MD - aye

Five in favor. None opposed. One absent. None abstained.
Motion approved.

Discussion:

- Andrew Tokar, Chief Financial Officer, presented the YTD FY2025 and January 2025 Financials to the Committee. Committee discussion ensued.

Final Adjournment

Meeting adjourned by Committee Chair Greer at 2:44 p.m.

Signatures:

Committee Chair

Linda Greer, RN

Committee Assistant

Carla Albright

DRAFT

Margin Improvement / Turnaround Project Financial Update

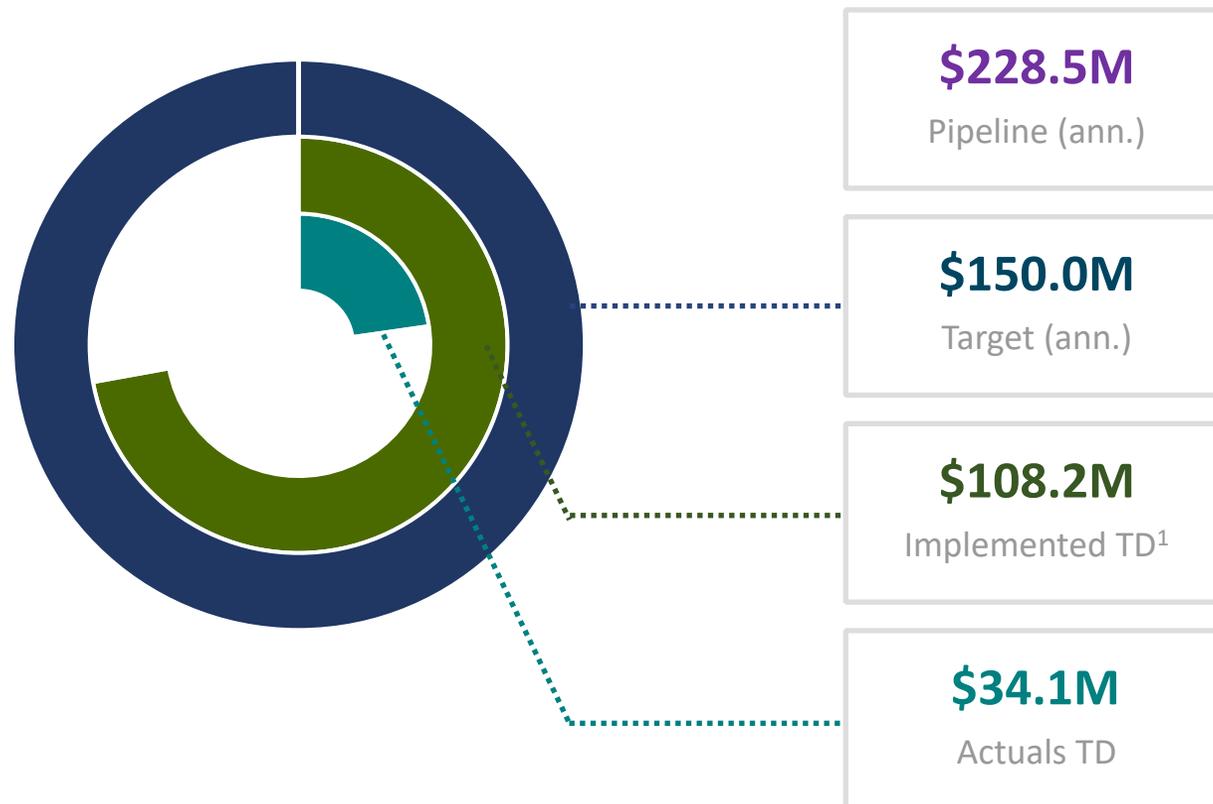
Reporting Month: Feb-25

March 26, 2025

Palomar Health has implemented a projected \$108.2M of initiatives and realized \$34.1M in improvement through February

Key implemented initiatives include:

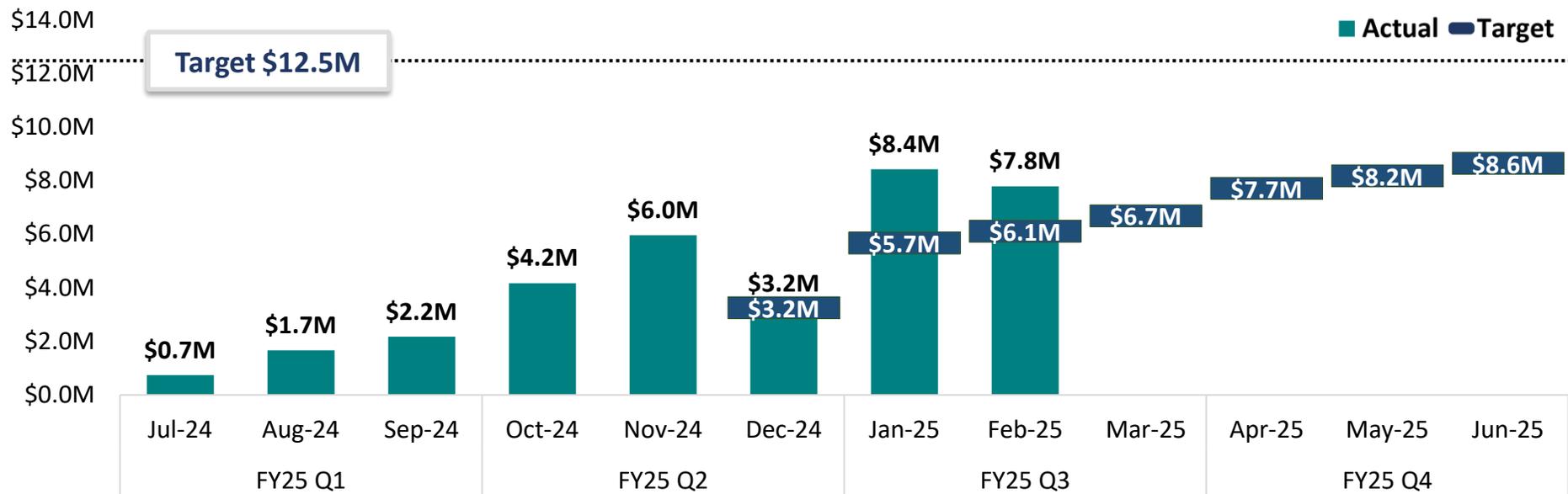
- ✓ **\$35.0M** DHDP Rate Improvement
- ✓ **\$20.0M** Managed Care Negotiations
- ✓ **\$2.1M** Reduction in Corporate Services and Purchased Services
- ✓ **\$1.5M** Workforce Productivity Departmental Improvements



¹Implemented to date value has increased **\$36.0M** from **\$72.2M** presented on 2/26/25

¹Implemented to date (TD) reflects pipeline initiatives actively implemented with and projected impact.

Initiative performance in February 2025 resulted in \$7.8M in realization, exceeding trending monthly target of \$6.1M



February 2025
Reporting Month

\$12.5M
Target Run Rate (mon.)

\$6.1M
Trended Month Target¹

\$7.8M
Current Month Actuals

- Significant progress is being made on income statement improvement; though days cash needs to be the primary focus in the immediate term
- Monthly realization targets are trended to reflect initiative implementation timelines, building to a **\$12.5M** improvement to monthly run rate, annualized to **\$150M**, over the next **18 months**
- Realization in workforce for Sep '24 – Jan '25 was revised after updating the methodology to include all salaries, wages, and contract labor savings

¹Workstream targets were established and communicated to board 1/27/25; actuals will be tracked against month targets moving forward.

Significant progress is being made on improving the financial results, though liquidity needs to be improved in the near term

Workstream	January		February <i>(Current Month)</i>		Mar.	Status
	Target	Actual	Target	Actual	Target	
Supply Chain & PS	\$0.3M	\$0.3M	\$0.3M	\$0.3M	\$0.4M	On Track
Care Transitions & PSA	\$1.0M	\$1.9M	\$1.0M	\$1.1M	\$1.0M	Caution
PHMG	\$0.6M	\$0.6M	\$0.7M	\$0.4M	\$0.8M	At Risk
Workforce & Periop ¹	\$0.6M	\$1.9M	\$0.7M	\$1.0M	\$0.8M	On Track
Corporate Services	\$0.7M	(\$0.8M)	\$0.8M	(\$0.3M)	\$0.8M	Caution
Growth Strategy	\$0.6M	\$0.3M	\$0.7M	\$1.0M	\$0.8M	Caution
Facilities & Real Estate	-	-	-	-	-	On Track
Revenue Cycle	\$1.9M	\$4.1M	\$1.9M	\$4.1M	\$2.1M	On Track
Total:	\$5.7M	\$8.4M	\$6.1M	\$7.8M	\$6.7M	

Key Updates

- **\$1.0M** of Labor savings, driven by reductions in 2024, and continued departmental deep dives
- **\$682K** in Poway ED net revenue improvement through volume growth
- **\$200K** in IT and Rev Cycle contract terminations

High Priority Initiatives

- Short-term Liquidity Improvement
- Perioperative Services staffing & coverage models
- Purchased Services governance structure and additional contract savings
- Corporate department spend reductions and P-Card policy / governance
- PHMG: IKS Solution Implementation
- Real Estate MSA, strategic planning with Cushman & Wakefield

February 2025
Reporting Month

\$6.1M
Trended Month Target

\$7.8M
Current Month Actuals

Status		
On Track	Caution	At Risk

¹Realization in workforce for Sep '24 – Jan '25 was revised after updating the methodology to include all salaries, wages, and contract labor savings

Fiscal Year 2025 Financial Performance

**Supplemental Section includes Palomar Health Medical Group (PHMG) and
Consolidating Schedules*

February 2025

<u>Page</u>	<u>Report</u>
3-4	Executive Dashboard
5	Income Statement for Fiscal Period, Excludes PHMG
6	Income Statement for Current Period, Excludes PHMG
7	Income Statement for the Current Fiscal Year Trend, Excludes PHMG
8	Statement of Net Position excluding G.O. Bonds, Excludes PHMG
9	Statement of Net Position including G.O. Bonds, Excludes PHMG
11	Condensed Combining Statement of Net Position
12	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position

	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance
Key Volumes										
Discharges - Total	2,201	1,859	18.4%	1,929	14.1%	17,253	15,646	10.3%	15,900	8.5%
Acute - General	2,157	1,806	19.4%	1,854	16.3%	16,947	15,214	11.4%	15,170	11.7%
Acute - Behavioral Health	-	-	0.0%	39	(100.0%)	-	-	0.0%	360	(100.0%)
Total Acute Discharges	2,157	1,806	19.4%	1,893	14.0%	16,947	15,214	11.4%	15,530	9.1%
The Villas at Poway	44	53	(17.0%)	36	22.2%	306	432	(29.2%)	370	(17.3%)
Patient Days - Total	12,562	11,347	10.7%	11,630	8.0%	96,067	94,523	1.6%	95,544	0.6%
Acute - General	10,073	8,128	23.9%	8,437	19.4%	74,491	68,087	9.4%	68,273	9.1%
Acute - Behavioral Health	-	-	0.0%	331	(100.0%)	-	-	0.0%	2,670	(100.0%)
Total Acute Patient Days	10,073	8,128	23.9%	8,768	14.9%	74,491	68,087	9.4%	70,943	5.0%
The Villas at Poway	2,489	3,219	(22.7%)	2,862	(13.0%)	21,576	26,436	(18.4%)	24,601	(12.3%)
Acute Adjusted Discharges	3,349	3,030	10.5%	3,093	8.3%	26,868	25,520	5.3%	25,964	3.5%
Total Adjusted Discharges*	3,403	3,083	10.4%	3,126	8.9%	27,226	25,952	4.9%	26,347	3.3%
Acute Adjusted Patient Days	15,637	13,622	14.8%	14,328	9.1%	118,002	114,113	3.4%	118,533	(0.5%)
Total Adjusted Patient Days*	18,126	16,841	7.6%	17,190	5.5%	139,578	140,549	(0.7%)	143,134	(2.5%)
Acute Average Daily Census	360	290	23.9%	302	19.0%	307	280	9.4%	291	5.4%
Total Average Daily Census*	449	405	10.7%	401	11.9%	395	389	1.6%	392	1.0%
Surgeries - Total	929	935	(0.7%)	921	0.9%	7,433	7,474	(0.6%)	7,731	(3.9%)
Inpatient	523	485	7.9%	478	9.4%	4,083	3,906	4.5%	3,938	3.7%
Outpatient	406	450	(9.8%)	443	(8.4%)	3,350	3,568	(6.1%)	3,793	(11.7%)
Deliveries	277	255	8.6%	287	(3.5%)	2,349	2,373	(1.0%)	2,491	(5.7%)
ER Visits (Includes Trauma) - Total										
Inpatient	1,831	1,415	29.4%	1,360	34.6%	13,493	11,627	16.1%	11,434	18.0%
Outpatient	8,495	8,603	(1.3%)	7,713	10.1%	69,322	73,061	(5.1%)	69,964	(0.9%)

	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance
Cardiac Cath RVUs	972	1,351	(28.1%)	1,170	(16.9%)	8,299	10,262	(19.1%)	10,110	(17.9%)
Escondido Interv. Radiology RVUs	868	895	(3.0%)	927	(6.4%)	7,687	7,358	4.5%	7,422	3.6%
Poway Interv. Radiology RVUs	266	245	8.7%	236	12.7%	2,106	2,013	4.6%	2,073	1.6%
Radiation Oncology RVUs	2,994	3,274	(8.6%)	3,084	(2.9%)	24,556	34,247	(28.3%)	25,742	(4.6%)
Infusion Therapy Hours	992	798	24.3%	856	15.9%	7,466	6,924	7.8%	5,908	26.4%
Imaging										
Escondido CAT Procedures	8,505	7,766	9.5%	6,960	22.2%	71,216	62,457	14.0%	63,432	12.3%
Poway CAT Procedures	2,545	2,340	8.8%	2,227	14.3%	20,850	19,824	5.2%	18,295	14.0%
Escondido MRI Procedures	461	380	21.3%	363	27.0%	3,644	3,007	21.2%	2,990	21.9%
Poway MRI Procedures	125	109	15.0%	143	(12.6%)	1,058	979	8.1%	1,099	(3.7%)
Escondido Diagnostic Rad. Procedures	6,836	6,728	1.6%	6,383	7.1%	56,199	55,553	1.2%	55,627	1.0%
Poway Diagnostic Rad. Procedures	2,124	2,209	(3.9%)	2,094	1.4%	17,876	18,316	(2.4%)	17,252	3.6%
*Includes The Villas at Poway										
Key Statistics										
Acute Average LOS - Days	4.67	4.50	(3.8%)	4.63	0.8%	4.40	4.48	1.8%	4.57	(3.8%)
Acute - General	4.67	4.50	(3.8%)	4.55	2.6%	4.40	4.48	1.8%	4.50	(2.3%)
Acute Behavioral Health	0.00	0.00	0.0%	8.49	(100.0%)	0.00	0.00	0.0%	7.42	(100.0%)

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Feb 25	Feb 25	Feb 25	Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	18,126	16,841	1,285					
Adjusted Discharges	3,403	3,083	320					
Operating Revenue								
Gross revenue	483,903,146	447,538,008	36,365,138	34,147,992	2,217,145	26,696.63	26,574.31	122.32
Deductions from revenue	(419,483,463)	(377,737,070)	(41,746,392)	(28,822,049)	(12,924,343)	(23,142.64)	(22,429.61)	(713.03)
Net patient revenue	64,419,683	69,800,938	(5,381,255)	5,325,943	(10,707,198)	3,553.99	4,144.70	(590.71)
Other operating revenue	1,003,357	1,328,165	(324,808)	101,342	(426,150)	55.35	78.86	(23.51)
Total net revenue	65,423,041	71,129,103	(5,706,063)	5,427,284	(11,133,347)	3,609.35	4,223.57	(614.22)
Operating Expenses								
Salaries, wages & contract labor	29,764,112	31,130,926	1,366,814	(2,375,348)	3,742,162	1,642.07	1,848.52	206.45
Benefits	6,425,530	7,314,096	888,566	(558,079)	1,446,645	354.49	434.30	79.81
Supplies	9,574,746	9,417,243	(157,503)	(718,553)	561,050	528.23	559.19	30.95
Prof fees & purch svcs	14,131,948	14,048,839	(83,109)	(1,071,953)	988,844	779.65	834.20	54.55
Depreciation & amortization	5,078,764	5,208,488	129,724	(397,417)	527,142	280.19	309.27	29.08
Other	2,288,403	3,447,260	1,158,857	(263,032)	1,421,890	126.25	204.69	78.44
Total expenses	67,263,503	70,566,852	3,303,349	(5,384,384)	8,687,733	3,710.89	4,190.18	479.30
Income from operations	(1,840,463)	562,251	(2,402,714)	42,901	(2,445,614)	(101.54)	33.39	(1,093.52)
Non-operating revenue (expense)								
Property tax revenues ¹	1,739,604	2,125,000	(385,396)					
Investment Income	1,112,481	881,113	231,368					
Interest Expense	(4,380,540)	(4,130,682)	(249,859)					
Non-operating depreciation & amortization	(1,478,750)	(722,370)	(756,380)					
Other non-operating revenue(expense)	560,363	207,484	352,878					
Net income(loss) ²	(4,287,305)	(1,077,204)	(3,210,101)					

EBIDA Margin 10.2% 12.6% (2.5%)

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Feb 25	Feb 25	Feb 25	Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	139,578	140,549	(971)					
Adjusted Discharges	27,226	25,952	1,274					
Operating Revenue								
Gross revenue	3,845,893,185	3,723,698,828	122,194,358	(25,725,630)	147,919,988	27,553.72	26,493.95	1,059.77
Deductions from revenue	(3,306,957,306)	(3,145,214,900)	(161,742,407)	21,729,103	(183,471,509)	(23,692.54)	(22,378.07)	(1,314.47)
Net patient revenue	538,935,879	578,483,928	(39,548,049)	(3,996,527)	(35,551,522)	3,861.18	4,115.89	(254.71)
Other operating revenue	7,728,733	10,683,323	(2,954,591)	(73,807)	(2,880,784)	55.37	76.01	(20.64)
Total net revenue	546,664,612	589,167,251	(42,502,640)	(4,070,334)	(38,432,305)	3,916.55	4,191.90	(275.35)
Operating Expenses								
Salaries, wages & contract labor	251,316,929	260,849,685	9,532,756	1,802,112	7,730,644	1,800.55	1,855.93	55.39
Benefits	66,070,847	70,055,104	3,984,258	483,984	3,500,273	473.36	498.44	25.08
Supplies	81,701,206	80,323,033	(1,378,173)	554,922	(1,933,095)	585.34	571.49	(13.85)
Prof fees & purch svcs	123,514,361	113,634,678	(9,879,684)	785,059	(10,664,743)	884.91	808.51	(76.41)
Depreciation & amortization	41,459,903	40,955,362	(504,540)	282,945	(787,486)	297.04	291.40	(5.64)
Other	23,487,136	27,578,830	4,091,694	190,532	3,901,162	168.27	196.22	27.95
Total expenses	587,550,382	593,396,693	5,846,311	4,099,554	1,746,757	4,209.48	4,221.99	12.51
Income from operations	(40,885,770)	(4,229,441)	(36,656,329)	29,220	(36,685,549)	(292.92)	(30.09)	(287.86)
Non-operating revenue (expense)								
Property tax revenues ¹	16,614,604	17,000,000	(385,396)					
Investment Income	9,977,764	8,825,901	1,151,863					
Interest Expense	(35,440,539)	(33,045,455)	(2,395,083)					
Non-operating depreciation & amortization	(11,828,379)	(5,778,962)	(6,049,417)					
Other non-operating revenue(expense)	4,644,348	3,356,936	1,287,412					
Net income(loss) ²	(56,917,972)	(13,871,021)	(43,046,950)					

EBIDA Margin 5.8% 11.2% (5.4%)

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

	<u>Jul 24</u>	<u>Aug 24</u>	<u>Sep 24</u>	<u>Oct 24</u>	<u>Nov 24</u>	<u>Dec 24</u>	<u>Jan 25</u>	<u>Feb 25</u>	Fiscal Year <u>2025</u>
Adjusted Patient Days	16,533	17,241	17,034	17,052	16,530	17,801	19,261	18,126	139,578
Adjusted Discharges	3,374	3,358	3,348	3,424	3,237	3,575	3,507	3,403	27,226
Operating Revenue									
Gross revenue	485,400,622	481,303,720	467,378,630	474,558,980	460,334,838	489,498,380	503,514,870	483,903,145	3,845,893,185
Deductions from revenue	415,757,901	415,886,085	403,359,082	402,798,738	398,689,551	418,393,206	432,589,279	419,483,462	3,306,957,304
Net patient revenue	69,642,721	65,417,635	64,019,548	71,760,242	61,645,287	71,105,174	70,925,591	64,419,683	538,935,881
Other operating revenue	920,937	782,991	1,167,339	1,079,195	1,127,177	717,219	930,518	1,003,357	7,728,733
Total net revenue	70,563,658	66,200,626	65,186,887	72,839,437	62,772,464	71,822,393	71,856,109	65,423,040	546,664,614
Operating Expenses									
Salaries, wages & contract labor	32,166,595	32,697,011	31,039,334	31,126,296	30,170,077	32,586,392	31,767,111	29,764,112	251,316,928
Benefits	7,845,288	9,667,894	8,249,929	7,595,482	7,835,218	9,168,549	9,282,958	6,425,530	66,070,848
Supplies	9,937,683	10,435,128	10,495,794	10,460,309	9,232,381	11,450,897	10,114,268	9,574,746	81,701,206
Prof fees & purch svcs	15,022,459	14,994,548	15,811,542	17,142,092	16,662,021	15,745,771	14,003,981	14,131,948	123,514,362
Depreciation & amortization	4,970,802	4,965,343	4,988,370	5,439,793	4,899,938	6,007,449	5,109,442	5,078,764	41,459,901
Other	2,622,147	2,630,102	2,712,652	4,403,218	2,425,595	2,503,764	3,901,254	2,288,403	23,487,135
Total expenses	72,564,974	75,390,026	73,297,621	76,167,190	71,225,230	77,462,822	74,179,014	67,263,503	587,550,380
Income from operations	(2,001,316)	(9,189,400)	(8,110,734)	(3,327,753)	(8,452,766)	(5,640,429)	(2,322,905)	(1,840,463)	(40,885,766)
Non-operating revenue (expense)									
Property tax revenues ¹	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	1,739,604	16,614,604
Investment Income	1,264,998	1,347,561	1,207,216	1,237,202	990,738	1,332,954	1,484,615	1,112,480	9,977,764
Interest Expense	(4,431,370)	(4,424,943)	(4,426,719)	(4,449,375)	(4,418,116)	(4,515,644)	(4,393,833)	(4,380,541)	(35,440,541)
Non-operating depreciation & amortization	(1,477,130)	(1,478,750)	(1,478,750)	(1,478,750)	(1,478,046)	(1,479,454)	(1,478,750)	(1,478,750)	(11,828,380)
Other non-operating revenue(expense)	595,819	582,346	639,696	(581,209)	673,917	(52,280)	2,225,696	560,363	4,644,348
Net income(loss) ²	(3,923,999)	(11,038,186)	(10,044,291)	(6,474,885)	(10,559,273)	(8,229,853)	(2,360,177)	(4,287,307)	(56,917,971)
EBIDA Margin	9.9%	-0.3%	1.3%	6.7%	0.4%	5.3%	12.0%	10.2%	5.8%

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Statement of Net Position excluding G.O. Bonds
Excludes PHMG

Assets	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Assets					
Cash and cash equivalents	13,000,438	26,360,524	15,642,922	3,778,125	17,359,239
Investments	19,605,493	34,765,900	32,039,319	32,106,194	54,298,096
Board Designated	7,082,739	-	-	-	7,082,739
Total cash, cash equivalents & investments	39,688,670	61,126,423	47,682,241	35,884,319	78,740,073
Patient Accounts Receivable	498,397,340	552,113,099	537,677,625	530,520,957	475,079,653
Allowance on accounts	(346,411,994)	(398,985,021)	(380,387,164)	(373,895,989)	(327,700,367)
Net accounts receivable	151,985,346	153,128,078	157,290,461	156,624,969	147,379,287
Inventories	12,910,271	12,883,827	12,948,641	12,909,464	12,512,288
Prepaid expenses	18,558,289	20,918,729	18,841,204	17,240,243	9,872,204
Est. third party settlements	102,440,341	100,436,170	91,525,345	97,335,093	87,806,947
Other	74,141,312	73,208,682	72,523,479	74,352,101	71,689,100
Total current assets	399,724,229	421,701,910	400,811,371	394,346,189	407,999,899
Non-Current Assets					
Restricted assets	91,977,105	92,322,093	92,626,084	92,929,848	106,528,977
Restricted other	357,163	357,237	357,317	357,317	356,833
Total restricted assets	92,334,269	92,679,330	92,983,401	93,287,165	106,885,809
Property, plant & equipment	1,555,210,075	1,555,311,137	1,555,380,266	1,555,435,345	1,556,364,751
Accumulated depreciation	(662,194,516)	(665,750,415)	(669,270,190)	(672,797,656)	(644,358,038)
Construction in process	67,488,625	67,460,106	68,788,117	69,395,353	57,513,297
Net property, plant & equipment	960,504,184	957,020,827	954,898,192	952,033,041	969,520,010
Right of Use Assets	324,583,606	328,260,640	325,346,653	322,316,604	334,609,278
Investment related companies	2,021,842	2,574,846	2,907,329	2,911,516	6,754,766
Prepaid debt insurance costs	7,168,113	7,142,139	7,116,165	7,090,192	7,298,149
Other non-current assets	69,627,915	68,744,996	68,238,376	67,980,619	78,831,767
Total non-current assets	1,456,239,930	1,456,422,778	1,451,490,117	1,445,619,136	1,503,899,779
Total assets	1,855,964,159	1,878,124,687	1,852,301,488	1,839,965,325	1,911,899,678
Deferred outflow of resources-loss on refunding of debt	43,428,144	43,210,229	42,992,314	42,774,400	44,517,717
Total assets and deferred outflow of resources	1,899,392,302	1,921,334,916	1,895,293,802	1,882,739,725	1,956,417,396

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Liabilities					
Accounts payable	106,161,799	122,090,155	118,811,183	111,781,823	67,475,287
Accrued payroll	35,889,106	43,390,390	28,565,370	29,561,067	38,178,331
Accrued PTO	23,129,962	22,628,427	22,527,814	22,651,682	24,267,836
Accrued interest payable	6,003,674	8,973,015	11,890,135	14,680,683	8,905,068
Current portion of bonds	8,925,000	8,925,000	8,925,000	8,925,000	8,530,000
Current portion of lease liab	20,065,534	21,398,808	21,316,854	21,287,484	20,245,743
Est. third party settlements	7,256,147	17,512,022	16,998,461	16,238,521	16,933,480
Other current liabilities	131,779,295	126,663,460	123,495,406	122,100,347	128,832,172
Total current liabilities	339,210,517	371,581,276	352,530,224	347,226,607	313,367,918
Long Term Liabilities					
Other LT liabilities	27,597,980	27,576,075	27,554,170	27,532,265	27,708,572
Bonds & contracts payable	714,758,745	714,536,038	714,313,332	714,090,625	724,797,898
Lease liabilities	336,405,630	338,627,542	337,184,037	334,424,640	342,095,335
Total long term liabilities	1,078,762,355	1,080,739,655	1,079,051,539	1,076,047,531	1,094,601,805
Total liabilities	1,417,972,872	1,452,320,931	1,431,581,763	1,423,274,138	1,407,969,723
Deferred inflow of resources- unearned revenue	6,901,094	6,850,577	6,800,059	6,749,541	6,653,683
Total liabilities and deferred inflow of resources	1,424,873,966	1,459,171,508	1,438,381,822	1,430,023,680	1,414,623,405
Net Position					
Unrestricted	474,161,172	461,806,170	456,554,663	452,358,728	541,437,159
Restricted for other purpose	357,163	357,237	357,317	357,317	356,833
Total net position	474,518,335	462,163,407	456,911,980	452,716,045	541,793,991
Total liabilities, deferred inflow of resources and net position	1,899,392,301	1,921,334,915	1,895,293,802	1,882,739,725	1,956,417,396

Statement of Net Position including G.O. Bonds
Excludes PHMG

Assets	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Assets					
Cash and cash equivalents	13,000,438	26,360,524	15,642,922	3,778,125	17,359,239
Investments	19,605,493	34,765,900	32,039,319	32,106,194	54,298,096
Board Designated	7,082,739	-	-	-	7,082,739
Total cash, cash equivalents & investments	39,688,670	61,126,423	47,682,241	35,884,319	78,740,073
Patient Accounts Receivable	498,397,340	552,113,099	537,677,625	530,520,957	475,079,653
Allowance on accounts	(346,411,994)	(398,985,021)	(380,387,164)	(373,895,989)	(327,700,367)
Net accounts receivable	151,985,346	153,128,078	157,290,461	156,624,969	147,379,287
Inventories	12,910,271	12,883,827	12,948,641	12,909,464	12,512,288
Prepaid expenses	18,558,289	20,918,729	18,841,204	17,240,243	9,872,204
Est. third party settlements	102,440,341	100,436,170	91,525,345	97,335,093	87,806,947
Other	92,287,451	83,621,439	78,595,640	82,132,530	71,978,298
Total current assets	417,870,368	432,114,666	406,883,532	402,126,618	408,289,097
Non-Current Assets					
Restricted assets	135,881,907	148,691,141	158,095,958	148,149,953	176,672,759
Restricted other	357,163	357,237	357,317	357,317	356,833
Total restricted assets	136,239,071	149,048,379	158,453,275	148,507,271	177,029,591
Property, plant & equipment	1,555,210,075	1,555,311,137	1,555,380,266	1,555,435,345	1,556,364,751
Accumulated depreciation	(662,194,516)	(665,750,415)	(669,270,190)	(672,797,656)	(644,358,038)
Construction in process	67,488,625	67,460,106	68,788,117	69,395,353	57,513,297
Net property, plant & equipment	960,504,184	957,020,827	954,898,192	952,033,041	969,520,010
Right of Use Assets	324,583,606	328,260,640	325,346,653	322,316,604	334,609,278
Investment related companies	2,021,842	2,574,846	2,907,329	2,911,516	6,754,766
Prepaid debt insurance and other costs	8,408,574	8,369,688	8,330,802	8,291,916	8,603,170
Other non-current assets	69,627,915	68,744,996	68,238,376	67,980,619	78,831,767
Total non-current assets	1,501,385,193	1,514,019,375	1,518,174,627	1,502,040,967	1,575,348,583
Total assets	1,919,255,561	1,946,134,041	1,925,058,159	1,904,167,584	1,983,637,680
Deferred outflow of resources-loss on refunding of debt	45,928,607	45,692,832	45,457,056	45,221,281	47,107,482
Total assets and deferred outflow of resources	1,965,184,169	1,991,826,873	1,970,515,216	1,949,388,867	2,030,745,163

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Liabilities					
Accounts payable	106,162,324	122,090,655	118,811,183	111,781,823	67,477,787
Accrued payroll	35,889,106	43,390,390	28,565,370	29,561,067	38,178,331
Accrued PTO	23,129,962	22,628,427	22,527,814	22,651,682	24,267,836
Accrued interest payable	17,535,410	23,387,685	29,187,740	23,182,940	28,882,187
Current portion of bonds	19,081,756	19,081,756	19,081,756	19,081,756	18,010,103
Current portion of lease liab	20,065,534	21,398,808	21,316,854	21,287,484	20,245,743
Est. third party settlements	7,256,147	17,512,022	16,998,461	16,238,521	16,933,480
Other current liabilities	61,449,548	57,265,171	54,696,680	53,603,989	55,689,956
Total current liabilities	290,569,787	326,754,915	311,185,859	297,389,263	269,685,423
Long Term Liabilities					
Other LT liabilities	27,597,980	27,576,075	27,554,170	27,532,265	27,708,572
Bonds & contracts payable	1,343,194,301	1,343,058,285	1,342,922,270	1,342,786,254	1,362,956,758
Lease liabilities	336,405,630	338,627,542	337,184,037	334,424,640	342,095,335
Total long term liabilities	1,707,197,911	1,709,261,902	1,707,660,477	1,704,743,159	1,732,760,665
Total liabilities	1,997,767,698	2,036,016,817	2,018,846,336	2,002,132,422	2,002,446,088
Deferred inflow of resources- unearned revenue	77,230,844	76,248,867	75,598,786	75,245,901	79,795,899
Total liabilities and deferred inflow of resources	2,074,998,542	2,112,265,684	2,094,445,122	2,077,378,324	2,082,241,987
Net Position					
Unrestricted	(110,171,537)	(120,796,048)	(124,287,223)	(128,346,774)	(51,853,656)
Restricted for other purpose	357,163	357,237	357,317	357,317	356,833
Total net position	(109,814,373)	(120,438,811)	(123,929,906)	(127,989,457)	(51,496,824)
Total liabilities, deferred inflow of resources and net position	1,965,184,169	1,991,826,873	1,970,515,216	1,949,388,867	2,030,745,163

Supplemental Information

**Financial performance includes Palomar Health Medical Group (PHMG) and Consolidating Schedules*

	Palomar Health	PHMG	PAC	Eliminations	Total
ASSETS					
Current assets	446,774,183	63,387,066	4,385,046	(55,397,903)	459,148,392
Capital assets - net	952,033,041	6,660,835	-	-	958,693,876
Right of use assets - net	322,316,604	30,508,964	-	(20,638,069)	332,187,499
Non-current assets	183,043,756	2,421,973	-	-	185,465,728
Total assets	1,904,167,584	102,978,838	4,385,046	(76,035,972)	1,935,495,495
Deferred outflow of resources	45,221,281	-	-	-	45,221,281
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,949,388,865	102,978,838	4,385,046	(76,035,972)	1,980,716,776
LIABILITIES AND NET POSITION					
Current liabilities	267,963,298	101,159,835	176,925	(59,580,672.89)	309,719,386
Long-term liabilities	1,377,683,489	(18,443)	-	-	1,377,665,046
Right of use lease liabilities	334,424,640	24,282,696	-	(17,477,268)	341,230,068
Total liabilities	1,980,071,427	125,424,089	176,925	(77,057,941)	2,028,614,500
Deferred inflow of resources - deferred revenue	97,306,892	-	-	-	97,306,892
Total liabilities and deferred inflow of resources	2,077,378,319	125,424,089	176,925	(77,057,941)	2,125,921,392
Invested in capital assets - net of related debt	(311,681,804)	5,720,356	-	1,021,969	(304,939,479)
Restricted	40,351,592	-	-	-	40,351,592
Unrestricted	143,340,757	(28,165,609)	4,208,121	-	119,383,268
Total net position	(127,989,455)	(22,445,253)	4,208,121	1,021,969	(145,204,618)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,949,388,864	102,978,835	4,385,046	(76,035,972)	1,980,716,773

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

	<u>Palomar Health</u>	<u>PHMG</u>	<u>PAC</u>	<u>Elimination</u>	<u>YTD Consolidated</u>
OPERATING REVENUE:					
Net patient service revenue	483,669,435	52,920,135	-	-	536,589,570
Shared risk revenue	55,266,442	23,860,189	-	(1,531,133)	77,595,498
Other revenue	7,728,733	5,957,667	223,089	(336,142)	13,573,347
PH Program revenue	-	20,978,158	-	(20,978,158)	-
Total operating revenue	546,664,610	103,716,149	223,089	(22,845,434)	627,758,415
OPERATING EXPENSES					
DEPRECIATION AND AMORTIZATION	41,459,903	3,280,525	-	-	44,740,428
Total operating expenses	587,550,382	143,676,922	701,562	(27,435,128)	704,493,739
INCOME (LOSS) FROM OPERATIONS	(40,885,772)	(39,960,773)	(478,473)	4,589,694	(76,735,324)
NON-OPERATING INCOME (EXPENSE):					
Investment income	11,551,363	(765)	-	-	11,550,598
Unrealized loss on interest rate swap	-	-	-	-	-
Interest expense	(59,443,717)	(162,731)	-	141,357	(59,465,092)
Property tax revenue	51,626,996	-	-	-	51,626,996
Other - net	(6,528,034)	(2,017,124)	-	(3,407,552)	(11,952,710)
Total non-operating expense - net	(2,793,392)	(2,180,620)	-	(3,266,196)	(8,240,207)
CHANGE IN NET POSITION	(43,679,164)	(42,141,393)	(478,473)	1,323,498	(84,975,531)
Interfund - PHMG	(32,813,472)	28,795,852	-	-	(4,017,620)
NET POSITION - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(301,529)	(56,211,468)
NET POSITION - Year to date	(127,989,459)	(22,445,251)	4,208,121	1,021,969	(145,204,619)

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG